

**EPA Environmental Leadership  
Program Final Report  
September 1996**

**Purpose:** The purpose of this report is to:

- provide a Phase Three update of the Mentoring pilot project being conducted at The John Roberts Company,
- provide a review of the completed Mentoring pilot project including results, successes, and benefits derived by the company
- provide an update on the Third Party Audit Certification pilot project being conducted at The John Roberts Company,
- provide a review of the completed Third Party Certification pilot project that includes results, successes, discoveries and benefits derived by the company
- identify any issues encountered in the pilot programs, and
- communicate any specific changes made in the pilot programs.

**Timeframe:** This report covers the period from June 1995 through August 1996.

**ELP Pilot Projects:**

- The John Roberts Company has established a formal small printer mentoring program to provide direct, hands-on assistance to four selected small printers to aid them in developing their own Environmental Management System that is sized to their organization. The idea behind this program is that a company with experience in environmental management share its knowledge and expertise with smaller companies having somewhat more limited resources.
- The John Roberts Company, in partnership with its trade association, the Printing Industry of Minnesota, and the State of Minnesota's Pollution Control Agency is testing the concept of third party certification of environmental audits as a means to achieve and go beyond mere regulatory compliance. This partnership has been in practice for three years, and by sharing the details of the process, may provide a basis for expanding the concept to other industries and other regions of the country.

**Project Work:**

- Implementation of Phase Two, the providing of hands-on, practical guidance at the mentoree's own facility, was completed in this time period. Mentorees were then encouraged to begin their Phase Three activities. This last phase provided a self-directed opportunity for the mentoree to apply the knowledge and experience gained to date in the Mentoring Program on an environmental project that may be of interest to them. The final element was to participate in the completion of a Mentoring Evaluation Questionnaire.
- The John Roberts Company conducted the second of the company's voluntary environmental audits. ELP Team members representing both EPA and state regulatory staff observed the audit process conducted by the Printing Industry of Minnesota (PIM). ELP Team members then had the opportunity to review the formal Audit Report and the corrective action response of the company and provide comments for this Final Report.

### **Mentoring Pilot Project:**

Phase Two project work for the Mentoring Project involved the ELP mentor providing of hands-on, practical guidance at the mentoree's own facility. Essentially, each mentoree is provided with all elements of the John Roberts Company' Environmental Management System. These elements are presented in a form that is scaled to the needs and operations of the mentoree's facility. At any given facility, concerns that are particularly pressing (especially with regard to compliance) are addressed at this time.

Phase Three project work for the Mentoring Project is an opportunity for the mentoree to apply environmental knowledge and experience gained to date on a project that may be of interest to them. This phase will conclude the project with an outcome interview that will assess the mentoree's performance and reflect their opinion as to the value of mentoring. All elements of the Mentoring Pilot Project will then be evaluated and commented upon in the final report.

### **Mentoring Program Accomplishments:**

- Bromley Printing completed all Phase Two administrative requirements by the end of July. Required compliance plans were in place, a files system and an annual schedule were completed. A new requirement as of July 21, 1996, is the completion of a written Minnesota AWAIR Plan ( A Workplace Accident & Injury Reduction Plan). Printers (SIC code 2752) were previously not required to have such a plan. Fortunately, almost all the elements of this new plan can be drawn from compliance plans recently put in place at Bromley. JRC will continue to assist Bromley here. As previously reported, all desired physical changes had been implemented before personnel changes at Bromley, and these continue to be in place. The smallest of the mentoree printers in the program, Bromley currently has no plans for a self-directed project. They have identified training issues to be the next major hurdle, and are devoting their resources to

planning annual employee training for February 1997. Bromley plans to format their training program after JRC's, and will seek additional assistance from JRC.

- Hoppe Printing strengthened their commitment to participating in the program after a change in ownership in May. The months of June and July were very productive at Hoppe, with required compliance plans written, a compliance files system and an annual schedule completed. A Minnesota AWAIR Plan has not as yet been completed, but should be easily derived from compliance plans already written. JRC will continue to assist Hoppe with this requirement. Most desired physical changes were already in place, with only a few small items needing to be accomplished, i.e.: a compliance shelf in the shop, some hearing conservation signage, and proper posting of a hazardous waste license in a more "public" location.
- Reindl Printing has been on their own for some time. As described in earlier reports, this progressive company with 62 employees has done an outstanding job in managing their environmental affairs, and their facility shows this. The challenge for Reindl has been to allocate time and resources on administrative issues such as training employees. One barrier to meeting this challenge is the natural tension that exists between environment and safety and the demands of production. The person charged with environmental and safety issues feels this in the inability to get consistent top management commitment. Reindl did implement a new ink recycling program as their self-directed project.
- The Salt River Project, an ELP pilot project participant, in partnership with the Maricopa County Small Business Assistance Program (MCSBAP) in mid-July conducted a workshop for Arizona printers as a part of SRP's mentoring pilot project. The workshop was an opportunity to focus on the "how to" of compliance and on developing an Environmental Management System (EMS). The John Roberts Company participated as the principle speaker, providing a copy of their complete EMS and many helpful handouts, including process flow charts, a matrix of environmental related training, files organization aids, and employee training slides.
- A Mentoring Evaluation Questionnaire was utilized to elicit program feedback and to evaluate the effectiveness of the mentoring program for the mentorees. This feedback will be discussed in detail later in this report.

### **Mentoring Program Changes:**

- Dorholt Printing was essentially dropped from the mentoring program by JRC due to several issues. Time resources for the mentor were no longer available within the time frame of the pilot project. Additionally, Dorholt Printing was

embroiled in legal difficulties with their neighbor due to an odors issue, and this was diverting attention away from the mentoring program.

**Third Party Certification Pilot Project:**

- A follow-up audit at JRC was undertaken in April. This follow-up audit also reflects a contractual obligation to participate in the Printing Industry of Minnesota's Auditing Program.

**Third Party Certification Accomplishments:**

During the project's third quarter, ELP Team members conducted a site visit in April to observe an actual environmental audit in process. The environmental audit was performed by the Printing Industry of Minnesota, Inc. (PIM) whose auditor, Mr. Joseph Peter, had participated with ELP Team members in an earlier review of John Roberts' first audit done in August of 1994. Environmental audits performed by PIM are done as a part of PIM's Environmental Services Corporation (ESC), a for-profit arm of PIM.

Prior to the audit being conducted, John Roberts employees were provided background information on the purpose, scope and intent of the auditing process. This was done more than one week in advance of the audit itself. Our corporate position and practice is one of getting all our employees involved and performing their part for good environmental stewardship. Informing them about our audit plans is a part of that effort.

ELP Team members on the day of the audit included:

- Ms. Janet Haff, EPA Region 5 Compliance & Enforcement
- Mr. Randy Hukiede, MPCA Hazwaste Regional Specialist
- Ms. Rhonda Johaneson, MPCA Air Quality Compliance Section
- Mr. Robert Markhouse, MPCA Hazwaste Compliance & Enforcement

On the day of the audit, each Team member was provided a written sheet detailing the purpose, objectives, and special objectives of this audit. Agency staff members were also advised of some special conditions the company faced as it was preparing to expand its facility.

The PIM auditor, Mr. Joseph Peter, had been instructed by this company to examine our environmental compliance status specifically, and, in a general manner, do the same for our safety compliance (OSHA). The auditor was given additional direction, in that the company desired an overall assessment of its Environmental Management System (EMS) and Loss Control Plan (LCP).

The actual audit began with a basic review that focused on company facts relating to its business, i.e. number employees, production processes, permits held, etc. This segment benefited from the previous audit file as only status changes needed to be documented. A full field inspection of the facility followed, and took the better part of the day.

Because of time limitations for certain members of the ELP audit observation team, all documentation was inspected in an overview manner, with the auditor determining that he would return to the facility for a more in-depth examination. The audit day was then concluded with a brief review by the ELP Team of the audit procedures, with the formal audit closing conference to discuss findings postponed until the more detailed documents review could be completed.

On May 16, 1996, PIM Environmental Services Corporation (ESC) furnished copies of the final Audit Report to the John Roberts Company. Prior to submittal of this report, the company had the opportunity to review a draft report for factual errors only. No findings could be altered.

On May 20, 1996, the company submitted to ESC its formal reply that detailed the steps taken to correct any possible non-compliance issues.

On May 31, 1996, ESC's Joseph Peter responded to the company's formal reply, asking for the record that some additional information be provided as to how these corrections were made. The company agreed to provide that information in the next 30-day report, by which time, all corrections were expected to be completed.

On June 25, 1996, the company submitted to ESC its second report of corrective action progress taken to correct any possible non-compliance issues. Additional details were provided to clarify questions raised by the ESC auditor's May 31 letter.

The above documentation was made available for review by ELP Team members for the purpose of education within the month of July. It was agreed that documents submitted for this purpose were not to be copied, and these documents were to be returned to the John Roberts Company within two weeks.

On July 1, 1996, the John Roberts Company submitted a summary of the audit conducted in April to the Audit Coordinator of the Minnesota Pollution Control Agency, requesting admission to the Minnesota's Green Star Program that encourages industry to voluntarily audit. John Roberts Company was notified on August 28, 1996 of its acceptance into the Green Star program.

### **General Pilot Project Accomplishments**

The following accomplishments relate to the ELP pilot project in general:

- A Framework Meeting conducted in mid-June provided ELP pilot members with an opportunity to discuss elements of the ELP and how these respective elements might work in a full-scale rollout of ELP. Some of the proposals that were reviewed were in response to a series of white papers prepared earlier by the various ELP focus groups. Several major concerns for full-scale rollout were revealed in this meeting, including proscriptive language covering ELP qualification and participation, compliance assurance, small and mid-sized company inclusion, and problems with program incentives

### **Time Commitments Encountered:**

- The Mentoring Project involved additional time commitments since the last report, and those include:
  - On-site mentoring activities at two of the mentoree's facilities, mostly to refine administrative issues. Total time amounted to approximately 7 hours.
  - At the conclusion of each on-site mentoring visit, the JRC has written a summary of accomplishments for the on-site session and outlined for the mentoree the next steps to be taken before the next session. Each summary has taken approximately two hours to complete. Estimated time totals 4 hours.

- Periodic off-site mentoree telephone conferences , the faxing of helpful management tools, and the scheduling of on-site visits has consumed an estimated 2 hours.
- Conducting, and tabulating the Mentoring Evaluation Questionnaire for three mentorees has taken approximately 2 hours.
- Participation as a speaker in the Salt River Project's Printers Workshop in July consumed a total of 24 hours for presentation and travel.
- The Third Party Certification Project has required the following additional time since the Third Quarter Report.
  - Several telephone conferences with other Team members to discuss issues and plan upcoming steps, mostly the timing of a follow-up audit and its format, have possibly taken up 3 hours.
  - Review of auditor response to corrective action, submittal of a second corrective action report, and application for admission into Green Star, Minnesota's voluntary audit program has consumed about 4 hours.
- Participation in the ELP Framework Meeting with preparation, follow-up and travel time involved 63 hours.
- Report writing has so far consumed approximately 15 hours.

### **Total Program Time Commitments:**

Total time commitments for participation in the Environmental Leadership Pilot Program have been considerable. To the best of my ability, time consumed breaks out as follows:

- Application to the pilot program includes internal company discussion, review of potential liabilities and exposure, legal review, preparation of ELP proposal for admission. Estimated time invested is 28 hours.
- Negotiation of Memorandum of Agreement with EPA and Minnesota includes preparation of draft MOA, teleconferences with EPA ELP contact, company internal discussion, legal review, and final MOA. Estimated time is 15 hours.
- First Quarter time commitments amount to 169 hours total.
- Second Quarter time commitments amount to 107 hours total.
- Third Quarter time commitments amount to 89 hours total.
- Fourth Quarter time commitments amount to 124 hours total.

- Grand Total is 532 hours.
  - Mentoring= 248 hours total
  - Auditing= 55 hours total
  - Report writing= 46 hours total
  - Focus groups= 17 hours total
  - JRC site visit= 60 hours total
  - Framework meeting= 63 hours total

### **John Roberts Company Observations:**

The following observations are grouped according to the particular pilot project involved. JRC has also made some observations regarding the entirety of the ELP pilot program, with an eye towards how these observations might impact a full-scale program planned for 1997.

### **Mentoring Program**

The decision to conduct a mentoring program using a direct, hands-on approach involves a major time commitment for any organization. Knowing what I now know, JRC would in all likelihood choose to conduct a much more limited scope program by selecting just one company to mentor to at a time. Given the intensity of effort required in this pilot, JRC believes most companies would either choose to mentor sequentially, or to utilize some form of cluster mentoring (workshops, etc.).

In the experience of JRC, the potential effectiveness of direct, hands-on mentoring makes the program very worthwhile, at least for the fortunate mentoree. It is very evident to JRC that smaller, and even mid-sized companies, simply do not have the internal resources to progress as quickly without mentoring. And commercial consultation is not an alternative that appears viable for both economic and technical reasons.

In direct, hands-on mentoring one can expect to encounter both problems and challenges. That problems became evident was in fact the case for this pilot. These issues can be broadly categorized as technical or managerial in nature. For example:

- Three of the four mentoree printers experienced changes in personnel assigned to handle environmental affairs, necessitating some restarting of the mentoring effort.



- Initially, most mentoree printers had a single person, typically an employee from the production process, assigned to handle the project. While such an employee's expertise on the production process was invaluable, that employee often did not possess the management and organizational skills to assemble a Environmental Management Plan. When the personnel changes occurred at the mentoree companies, the opportunity to change this scheme also arose. Two of the mentoree companies have assigned an office employee to manage documentation and a production employee to handle plant issues. This appears to be a more effective means of environmental management.

In the process of transferring environmental knowledge to mentoree printer, the mentor discovered several opportunities to develop tools to help the process. For example:

- In setting up a compliance document file drawer, the mentor provided a Files Organization of tabs patterned after his own files.
- In handling annual employee training, the mentor provided a combined training notification and record of training form, as well as a set of overheads for all the basic required employee training.
- To facilitate timely meeting of state and federal reporting and licensing requirements, the mentor has provided a model Reporting Schedule.
- To facilitate changes in employees work practices, the mentor has provided examples of how this can be most successfully accomplished.
- To encourage pollution prevention, the mentor has provided examples of waste stream flow charts specific to the printing industry.

When it comes to addressing technical issues, especially compliance issues, the focus has been on implementing corrective action that is simple, timely and low cost. For example:

- Assembling a small spill kit and implementing simple, inexpensive floor drain control measures.
- Developing a facility map that defines all exit routes, emergency eye wash, first aid and fire extinguisher locations, chemical and waste storage areas
- Establishing a "plant compliance shelf", containing MSDs and copies of required compliance plans, Employee Right-To-Know, LockOut, HazMat.
- Re-organizing chemical and waste storage areas for more efficient operation, with necessary electrical grounding and spill control.
- Improving labeling of working containers of chemicals and soiled shop towel collection bins.

- Documenting the rationale behind a specific decision or procedure, so as to have this information readily available if questioned. This step avoids the problem of not remembering at some point in the future just "how you got there". This is a valuable management technique applied to a technical matter.
- Improving the work environment through simple steps to control air quality and reduce noise levels. Also taking hazard control steps.
- Establishing a "mini" safety and environmental committee.
- Encouraging all mentorees to send appropriate personnel to attend JRC annual employee training sessions held throughout February 1996.

When reviewing the results of utilizing the PIA self-study manual as a mechanism to raise mentoree awareness level, a comparison of the pre-study and post-study written tests reveals that pre-study awareness is at a level of 34-36%. The same test when taken after completion of the self-study manual shows a higher awareness level for mentorees, in the mid-80% range.

Based upon a review of the completed Mentoring Evaluation Questionnaires, the overall view of mentoree printers is that they found the mentoring program to be most helpful, and they would participate further in a future mentoring program. Suggestions to improve the mentoring program included providing an opportunity to ask more questions, a slower pace, and a review at the program conclusion. Incentives for participation included cost savings, tax breaks, and free chemical disposal for small printers, or alternatively, an opportunity for combining disposal with larger companies. For additional details, the Mentoring Evaluation Questionnaires can be found in the Appendix of this final report.

### **Auditing Certification Program**

John Roberts Company committed to participation in the Printing Industry of Minnesota, Inc. voluntary auditing program before the EPA Environmental Leadership Pilot Project began. The ELP pilot thus became an ideal opportunity to explore benefits of third party certification of voluntary audits, in this case via a trade association partnership with the state regulatory agency (MPCA).

By utilizing the printing trade association to conduct environmental audits, the audits are a much more affordable tool to achieve and maintain compliance than would be available through commercial auditing firms. A secondary, though no less important benefit, is that the auditor is thoroughly knowledgeable of printing industry materials, processes and equipment, and thus printers can get a better audit.

Several observations were made by JRC during the course of conducting the audit this past April:

- Region V staff had expressed reservations about any prior notification of JRC employees that an audit would be conducted. JRC believes that employee knowledge of an upcoming audit is fully consistent with the concept that the company's employees are its best ambassadors in the community. If community involvement is to have meaning, then that involvement has to begin internally with a foundation in trust. That trust is less likely to happen if we go sneaking around.
- MPCA and Region V staff expressed their concern(s) that auditing cannot in fact assure compliance or be a replacement for compliance inspections. JRC does not advocate dropping compliance inspections, though one idea proposed is that such inspections might be less frequent. From the conversation at the audit closing conference, it would appear that regulatory staff felt that an audit would give no indication as to compliance status the next day. How is that any different than a compliance inspection? JRC sees equal value in compliance inspections and audits as tools to enhance environmental performance.
- Regulatory staff had expectations of audit content such that the audit should match the profile of a compliance inspection. This belief reveals a lack of understanding that the environmental audit customer is the facility, and not the EPA. That audit reports reflect this fact should come as no surprise.
- While staff present during the audit are rightly concerned with compliance, JRC believes there is a need to broaden the scope to include auditing of the environmental management system (EMS). Too much emphasis is placed on compliance, which is a snapshot at best.
- JRC cannot help but be somewhat troubled by the apparent lack of recognition by regulatory staff present that any of the company's compliance efforts were worthy of kudos. This stands in stark contrast with the frequent and multiple requests to JRC to share their environmental programs with others in industry.

### **General Program Observations**

One objective of the pilot program at JRC was to incorporate the concept of community involvement. It is a sad fact that, in spite of numerous efforts to involve public interest groups, JRC was wholly unsuccessful in accomplishing this objective. The company environmental director, who personally knows the local representatives for both the Sierra Club (Brett Smith) and Citizens for a Better Environment (Lisa Doerr), had extended multiple invitations for these groups to visit and become acquainted with the pilot project, and was not able to raise any interest at all. JRC can only wonder what the environmental organizations really mean when they argue for community involvement.

JRC was very successful in involving their own employees in the pilot project. Several mechanisms were utilized, most notably with monthly updates in the company internal newsletter, *The Tracer*. The company environmental director also made several public presentations describing the leadership pilot project.

The following observations were made from participation in the focus groups, from the resulting white papers, and from the ELP framework meeting held in mid-June.

John Roberts Company believes that the ELP project may have temporarily lost its way. Specific areas of concern include the concept of using incentives to encourage both state agency and company participation, and inclusion of small and mid-sized companies.

Potential problems with incentives include:

- A particular incentive may not be EPA's to give away. States agencies that are delegated to run federal programs may not agree to offer the incentive.
- There is the issue of appearances. Some outside EPA, and even some inside the agency view offering incentives as tantamount to sleeping with business.
- Some proposed incentives may be obtainable through other programs. If that is true, a lack of uniqueness to ELP diminishes the value of those incentives to the full-scale program.
- The very type of incentives offered, and possibly, the fact that the proposed incentives originate in OECA, creates a perceived enforcement tool void. This void quite naturally wants to be "filled", and that is evident in the proscriptive language seen in the ELP full-scale proposals coming out of the white papers.

In addition to the incentives problem(s), there is a problem of inclusion of small and mid-sized companies in any full-scale ELP. Large organizations, business or government, tend to do things in a big way (bang for the buck). ELP currently models the "mega" approach (big companies mostly). But unlike Project XL, the Environmental Leadership Project is a "golden opportunity" to reach down to smaller companies. The way the current full-scale program is structured, we might as well say "No one smaller than Dow need apply".

A "many sizes fits all" approach would create models of all different sizes that would relate far better to a larger segment of industry providing relevant models to emulate. Few would expect that the financial management system of Eastman Kodak would match that of a company of 500 employees. Then why should an environmental management system match? Yet we persist in applying "one size fits all".

Consider the idea of eliminating incentives altogether. Would the problems associated with incentives listed above go away? Is leadership only about compliance? Shouldn't we get the focus back on leadership? Can society benefit from having leaders of all types and sizes?

These questions are important. JRC finds it disturbing to realize that in spite of superior environmental performance, 1) pilot participants may not qualify for the full-scale ELP; or

because of program complexity and restrictive nature, 2) might not choose to apply for the full-scale ELP they supposedly helped develop!

JRC believes that the ELP pilot has temporarily lost its way. EPA needs to recognize that while companies might like EPA's blessing as an environmental leader, such a blessing is not absolutely necessary. Perhaps that thought will temper the overly ambitious goals of a full-scale Environmental Leadership Program

## **Benefits of Program Participation for JRC**

Benefits of company participation in the Environmental Leadership Pilot Program have included:

- JRC has established extensive contacts with the regulatory and administrative staffs of the EPA and the Minnesota Pollution Control Agency. JRC contends that these contacts encourage and facilitate partnering that mutually benefits all parties.
- JRC has found that through the process of mentoring, its own safety and environmental programs have been reinvigorated.
- Recently, a potential insurance carrier for JRC, after reviewing the company EMS and Safety Loss Control programs as a part of the application process, commented she had never encountered a company with such a well developed program. That we had such a program in place would, in her opinion, make possible very low coverage rates for Workers Compensation.

## **EPA Headquarters Observations:**

As part of the final evaluation of the pilot projects, there are several elements of the John Roberts Mentoring Pilot Project that should be highlighted. John Roberts used a one-on-one and very time-intensive mentoring approach that included actually sitting down with staff at four small printers and demonstrating tools the small printers could use to meet their environmental responsibilities.

Although this one-on-one approach facilitated a great deal of information exchange and dialogue between John Roberts and the mentorees, the extremely time-intensive nature of this mentoring approach is a factor which must be considered by any company mentoring in the full-scale ELP. This observation is not to be construed as a recommendation against the one-on-one mentoring approach, because in the case of the John Roberts Mentoring Pilot Project the one-on-one approach allowed a large amount of knowledge and expertise to be simultaneously transferred to several small printers. The recommendation for full-scale ELP mentoring would be that if the time-intensive one-on-one mentoring approach is chosen, the company should mentor several smaller companies sequentially rather than simultaneously. In this way the benefits presented by a sequential one-on-one approach, including increased and improved interaction and knowledge transfer between the two companies, can be obtained while not stretching the mentor too thin as appears to have happened with John Roberts's simultaneous one-on-one approach.

In Phase One of the Mentoring Pilot Project, John Roberts used an existing vehicle, the Printing Industry of America (PIA) Environmental Management Manual to establish a baseline measurement of mentoree environmental awareness. The PIA Manual is designed as a self-study course and includes a knowledge test of awareness of environmental

responsibilities. The company's inclusion of the PIA Manual in the Mentoring Pilot Project is an innovative use of an excellent tool that enabled John Roberts to better understand the starting point of the mentoree. In addition to being unique to the John Roberts Mentoring Pilot Project, the use of a quantitative tool to measure baseline mentoree environmental awareness allowed John Roberts to measure the improvement in the mentoree's awareness. This measurement was done by comparing the results of the pre-mentoring PIA Manual knowledge test with the results of test after the self-study course. In general, the environmental awareness level of the mentoree printers was about 34% before mentoring and the PIA Manual/self-study course, and about 70-80% after the self-study course. Although the PIA Manual/self-study course is intended specifically for small printers, the recommendation is that some type of baseline measurement of, and improvement in, awareness of environmental responsibilities be a component of mentoring in the full-scale ELP .

In Phase Two of the Mentoring Pilot Project, John Roberts essentially mentored on the elements of an Environmental Management System that could be sized to fit the small printer's needs. Issues arose early on regarding staff turnover at the small printers. The mentor/John Roberts responded by providing information on institutional changes at the facility that would withstand the inevitable staff turnover, rather than short-term fixes which leave the facility when a particular person leaves. John Roberts also provided tools to the mentoree rather than just focusing on solving a specific problem. Again, the approach in this pilot project has been that the provision of tools will more likely lead to permanent change at the facility than mere problem-solving. Companies mentoring in the full-scale ELP must realize that unanticipated problems are likely, and be prepared to adjust their mentoring approach to meet the changing needs of the mentoree. It is also recommended that a company mentoring in the full-scale ELP provide tools and information on institutional changes to the mentoree so that staff turnover does not inhibit permanent fixes at the facility which improve environmental performance.

In Phase Three of the Mentoring Pilot Project, John Roberts conducted a follow-up survey using a mentoring evaluation questionnaire developed by the John Roberts Company ELP Team. The purpose of the follow-up survey was to assess the mentoree's performance as well as the mentoree's opinion as to the value of mentoring. An initial observation is that this follow-up information has been valuable to John Roberts and EPA Headquarters, and can be used to improve future mentoring efforts as well as assist in learning how mentoring can be used to supplement EPA's own compliance assistance activities. It is unfortunate that experience with other ELP mentoring companies has shown that not all companies believe that they should be responsible for conducting follow-up. While it is recognized that the exact form and extent of appropriate follow-up would be determined based on the characteristics and structure of the particular mentoring program, it is recommended that some form of follow-up be a component of mentoring in the full-scale ELP.

In general, the follow-up survey indicates a high level of satisfaction with mentoring. The one-on-one detailed approach was appreciated, and the provision of forms and



information on organization of files and procedures was invaluable. Use of the PIA self-study manual was favorably reviewed and seemed to put many unknowns into perspective. All of the mentorees surveyed stated that they would recommend mentoring as a way for other small-to-medium businesses to get environmental information and become aware of their environmental shortcomings. As a result of mentoring, the mentorees felt that they were more safety conscious, more organized, and had better employee education and involvement. The benefit of help in establishing and organizing a files and recordkeeping system was highlighted by the mentoree's surveyed, as was the importance of taking time and making a commitment to the mentoring program and the enhancement of environmental performance. Finally, the follow-up survey indicates that changes were made at the mentoree facilities based on the mentoring experience. These changes include establishment or improvement of silver recovery systems, paper recycling, plate recycling, ink recycling, employee health and safety training programs, and recordkeeping systems as part of a minified environmental management system.

The final element of the Mentoring Pilot Project that EPA Headquarters wishes to evaluate involves potential incentives that could be offered to small businesses to encourage them to participate in mentoring programs. The John Roberts Company has listed earlier in this final report some of the incentives for participation identified by the mentorees. Another incentive that was not addressed in the follow-up survey was the relevancy and effect of offering EPA's "Interim Policy on Compliance Incentives for Small Businesses." (The Interim Policy has been superceded by the "Final Policy on Compliance Incentives for Small Business," which became effective on June 10, 1996). The policy was offered so that small businesses that receive the benefits of the mentoring program could correct violations detected during the mentoring process without fear of an enforcement action.

In the pilot project conducted by John Roberts, correction of violations under the policy was not an issue and the policy was not invoked. Thus, it is not possible to evaluate this incentive vis-a-vis the John Roberts Mentoring Pilot Project. Although perhaps not an EPA or "violation" issue per se, it is possible that the legal difficulty with neighbors due to an odors issue, identified by John Roberts as a reason that Dorholt Printing dropped out of the mentoring program, could have lent itself to some form of "correction" period and suspension of legal processes. In addition, as part of EPA Headquarters involvement in the ELP Mentoring Focus Group, the focus group recognized the need to offer some type of opportunity for the mentoree to disclose and correct violations in exchange for a greatly reduced enforcement response. In keeping with the work of the focus group, it is recommended that mentoring in the full-scale ELP include the availability of the "Final Policy on Compliance Incentives for Small Business." This will ensure that benefits and incentives provided by the policy work in harmony with the potential for improvement in environmental performance presented by ambitious mentoring programs.

Because of its more limited involvement in the Third-Party Audit Certification Pilot Project, EPA Headquarters is providing only general observations in this final evaluation of the pilot project. Issues which have continued to present themselves throughout the pilot project involve the fundamental questions of who the audit is intended for and what its purpose is. There has been and continues to be some differences of opinion on these issues among the members of the John Roberts ELP Team. It may be that use of a trade association as the third-party auditor cannot satisfy the concerns of EPA and state regulators. Use of the auditing tool appears to have been promoted through the use of a trade association and the Printing Industry of Minnesota, Inc. (PIM)/Minnesota Pollution Control Agency (MPCA) Model which forms the basis of this pilot project. The PIM/MPCA Model's use of a sliding cost scale based on a company's size/income also appears to have promoted the concept of voluntary auditing and made an attempt to reach smaller businesses. But issues regarding the appropriateness of certain corrective actions and need for some form of official resolution of differences of opinion between the company and auditor remain. Having said that however, it does appear that the PIM/MPCA Model is working for printers in Minnesota, it just may not be an appropriate model for purposes of full-scale ELP.

## **EPA Region V Observations:**

### **Mentoring Pilot Project**

Region 5 staff involved in the John Roberts Company pilot project have been impressed with the commitment to mentoring as demonstrated by the company's efforts. The mentoring program has reached a segment of the regulated community which Region would typically be unable to reach. Furthermore, the mentoring effort by a member of the printing industry, rather than a government official, gives the mentoring program a degree of credibility it might not otherwise possess. The first hand experience in operating an environmental management program is something the John Roberts Company has shared with the mentored companies. It would be difficult for government officials to reproduce that first hand experience which is so valuable to the mentored companies.

From the Regional perspective, several aspects of the mentoring program produced especially valuable results. The finding, by the mentor, that a more effective means of environmental management is to assign an office employee to manage documentation and a production employee to handle plant issues is a significant finding. The mentor's efforts directed at helping companies set up a compliance document file drawer, establish a "plant compliance shelf", and stressing the need to document the rationale behind a specific decision or procedure, all demonstrate the importance of recordkeeping in environmental management. These recordkeeping tools may help soften the impact of personnel changes noted by the mentor at mentoree printers. If records are available, there is at least a possibility that the "new" person assigned to environmental affairs will not have to "reinvent the wheel". The mentor's efforts in the area of health and safety mentoring are also significant. Since those areas are not within the jurisdiction of U.S. EPA, it is likely that we would have never provided the mentorees with assistance in those areas.

Region 5 does have several concerns about mentoring. These concerns should in no way be viewed as negative comments on the valuable mentoring provided by the John Roberts Company. Our first concern is that Region 5's participation in the mentoring portion of the pilot project has been minimal. While there were sound reasons for our minimal involvement, such as the desire to let the mentorees speak freely about environmental matters without the possibly intimidating presence of government officials, the result is that we were not able to personally observe the mentoring process. Our only knowledge of how the mentoring was conducted comes from second hand descriptions. No matter how thorough the description, descriptions are not an adequate substitute for in person observation.

A second concern about mentoring is also related to the lack of government participation in the mentoring effort. One goal of the John Roberts Company mentoring program was to help small companies develop their own Environmental Management System (EMS). Compliance with environmental regulations is one of the goals of an EMS. Region 5 members of the ELP team wonder whether or not mentoring performed by companies can reasonably be expected to cover complex regulatory requirements. There is also a concern

about whether or not most companies can explain the underlying intent, or goal, of regulatory requirements. Given that many companies complain about the complexity and confusing nature of environmental regulations we believe our concerns are reasonable.

A third concern about mentoring is the fact that three of the four mentoree printers experienced changes in personnel assigned to handle environmental affairs. The changes in personnel took place over the relatively short lifespan of the pilot project. Because the pilot project is being conducted over a relatively short period of time there will be no opportunity to determine if the employee turn-over at mentorees will dramatically reduce the value of mentoring. This is a very important issue because U.S. EPA is considering what role mentoring will play in a full scale ELP.

Despite the fact we have concerns about mentoring, we feel it is a very worthwhile activity that should have a role in the full scale ELP.

### **Third Party Certification Project**

Region 5 staff have reviewed two audit reports and participated, in the role of an observer, at an audit of the John Roberts Company (JRC). The opportunity to observe the audit process has been a valuable and productive exercise from a Region 5 perspective. From the Region's point of view, the purpose of our participation in the third party certification project was not to evaluate or establish JRC's credentials as an environmental leader. Our goal was not to arrive at definite conclusions concerning JRC's compliance status. We did not view our participation in this portion of the pilot project as an attempt by Region 5 to make a compliance determination about the JRC. Instead, Region 5's goal was to observe and evaluate how the third party certification process works in a real-world situation. In the memorandum of agreement for the JRC pilot project it was agreed that, at the end of the pilot project, each member of the team would provide an analysis and conclusions regarding a list of thirteen items to be studied during the third party certification of audits portion of the pilot project. Our analysis and conclusion for each of the thirteen items is provided below.

- audit scope: compliance and/or systems

Region 5's review of the scope of the audits at JRC was limited in some respects. Based on the PIM checklist form we reviewed, a 1995 version, and the second year environmental compliance audit we reviewed it appears that the scope of the audit process at JRC leans more toward the compliance side rather than the systems side of the environmental program at JRC. However, that may be appropriate given the size of JRC. Elaborate systems for managing environmental matters may not be necessary for a company of JRC's size. It is also possible that the PIM checklist and the compliance audit we observed in 1996 did not give us a complete overview of the scope of the audit process with respect to systems at JRC.

- audit protocol

Other than the PIM checklist and our observation of the 1996 second year environmental compliance audit, Region 5 did not review a specific protocol for the audits performed at JRC. Region 5 staff do feel that JRC should have some type of written report for the second year audit that describes the audit protocol in detail. The report we reviewed did not document all topics covered during the audit.

- audit methodology

Region 5 has previously provided comments to JRC concerning issues related to audit methodology. We remain concerned about the fact that audits are conducted with advance notice. Generally, the environmental audits are so detailed they require advance notice. Our concern is that the advance notice results in people preparing for the audit in ways that give the auditor a false impression of the typical state of the facility. We are not saying this happened in the case of JRC. However, the audit reports we saw failed to

address this issue. At a minimum, the audit reports should document how much advance notice was given and the facility should be questioned carefully to determine the actions that were taken to prepare for the audit.

One way to address this problem is for the auditor to schedule a brief unannounced visit and check on a few items to get impression of whether or not the facility environmental program is effective at times other than when an audit is about to occur.

It is only natural that people want to prepare for an audit so that the auditor sees the facility at its best. However, in order for the audit process to be most valuable, the auditor needs to address this issue by the means described above or by some other means. Our comments do not mean we feel auditing is not a valuable tool. However, its value as a tool is maximized if the methodology chosen for the audit insures the auditor has an accurate understanding of how the facility typically operates.

- identification of non-compliance issues

Our primary concern with respect to the identification of non-compliance issues is that we felt that, at times, the auditor was not blunt or direct enough in the language he used to report possible non-compliance. This may be due to a difference in style. We hope it is not due to the auditor being hesitant to offend a “customer”. Given that PIM-ESC is an organization devoted to serving the printing industry we hope it can maintain enough independence to provide frank compliance assessments to the industry members who help assure PIM’s continued existence. Region 5 staff did observe some clear degree of independence. However, the limited scope of the pilot project did not allow this issue to be resolved.

- corrective actions in a timely manner

Region 5 staff have observed that, in a very few instances, the facility and auditor differed in terms of their views on the need for corrective action. In those few instances, corrective action was not timely. A bigger concern is that we didn’t see evidence that the audit process evaluates the timeliness of corrective actions when JRC identifies a problem on its own. For the period of time between audits, JRC is responsible for correcting problems in a timely manner. It is not clear if the audit process looked at that issue closely and whether or not the auditor came to specific conclusions.

- preventative measures: the systems view-point.

The audit checklists Region 5 reviewed did not seem to specifically address the issue of whether or not the systems in place at JRC are effective in preventing violations. There is some indirect evidence that such systems are working at JRC but Region 5 staff can’t really say that the third party audit process resulted in a direct analysis of “systems” at JRC.

- enhanced environmental stewardship: pollution prevention elements

The audit checklists we reviewed didn't look at pollution prevention as a stand alone item. In general, pollution prevention was discussed in connection with compliance issues or best management practice issues. This approach did raise concerns regarding whether or not there are missed opportunities for pollution prevention. It would be helpful if the audit protocol and methodology looked at pollution prevention as a stand-alone item to evaluate the system in place at JRC to routinely address pollution prevention.

- barriers to voluntary auditing: regulatory and economic

Early in the pilot project, this issue was discussed at length with JRC and a representative of PIM. Region 5 staff have reached no firm conclusions about this issue. The pilot project recognized this issue but didn't really look at it in detail. Since we were working with JRC, a company that has overcome such barriers, it was hard to evaluate this issue.

- qualification of audit personnel

Region 5 staff feel that there was a definite advantage to having an auditor knowledgeable about the printing industry perform the audit.

- promoting the concept of voluntary auditing: reaching the industry and encouraging small business to audit.

Although we discussed this issue with JRC and a representative of PIM it would be fair to say that no definite conclusions or recommendations arose from that discussion. In a sense, the mentoring portion of the project resulted in a type of self - audit by the mentored companies. Despite offering reasonably priced audits, it does not appear PIM has had a large number of small printers seek its auditing services. It would appear that the availability of reasonably priced audits is not sufficient to encourage the small businesses to audit.

- promoting the use of the auditing tool through trade associations and state agencies.

See the previous comment. The issue of state agency promotion of auditing was not addressed during the pilot project.

- disclosure/sharing of audit information: What and with Whom

JRC did disclose and share much of its audit related information with Region 5 staff. However, there was some information Region 5 did not see such as the completed audit checklists. It is not clear what information JRC would be willing to share with the public in terms of the audit documents and audit results. Obviously, Region 5 staff are in favor of sharing as much information as possible. However, it is up to JRC to decide just what level of sharing of information it is willing to accommodate. Participation in the full-scale ELP is likely to require that some audit information be shared.

- sizing of audit to fit company size.

Region 5 staff feel this issue was not resolved although we agree it is a serious issue in need of resolution.

### **General Comments on Third Party Certification Project**

Region 5 staff are aware that JRC has been troubled by the apparent lack of recognition, by regulatory staff, that JRC's compliance efforts were worthy of praise. Region 5 staff have been impressed with the degree of effort JRC has devoted to environmental matters. There are many aspects of JRC's environmental program worthy of praise. However, Region 5 staff have felt that making such comments during an audit would have been inappropriate. U.S. EPA's role was that of an observer and not that of an auditor. Praise



by Region 5 staff present at the audit might have been viewed as an attempt to improperly influence the auditors findings.

## **MPCA Observations:**

The MPCA participants in the ELP have been as follows:

<i>Person (alphabetically)</i>	<i>Primary role</i>
Jolene Henning	Air Quality permitting
Randy Hukriede	Hazardous Waste assistance, and MPCA audit program coordinator
Rhonda Johaneson	Air Quality compliance
Bob Markhouse	Hazardous Waste compliance
Ed Meyer	Hazardous Waste program, and primary ELP contact person

## **Mentoring**

The MPCA staff members had no direct role in the mentoring process, but have been very interested in the results. The ability to adapt practices, processes and documentation used in a larger business to the needs of small businesses is exciting. It's no surprise that one-on-one relationships have the potential to be successful, but the manner in which that contact occurs and the level of effort matter a great deal. The John Roberts Company has demonstrated ways in which the mentoring concept can be successful, in spite of unanticipated obstacles, such as the changes in contact people at three of the four mentoree companies during the mentoring period. This serves as a reminder about the variables that need to be considered by companies who may step forward in future mentoring programs. It will be good to see the survey forms that were filled out by the mentorees to see specific comments they made.

As a follow-up to the ELP mentoring efforts of the John Roberts Company, the MPCA staff would like to explore ways to partner with potential mentors. One significant direction being taken by the MPCA in the future is to seek alliances or partnerships with a wide variety of businesses, trade organizations, public interest groups and others. One size does not fit all, but mentoring appears to have a very promising potential in helping small businesses to recognize and strive for good environmental performance. By its one-on-one nature, mentoring may be limited to providing help to a relatively small population of small businesses, but the advantages could be many. The MPCA staff will be interested to learn more about how the mentorees have viewed this experience and how permanent their recently learned procedures and management tools will prove to be over the next year or more.

## **Third Party Certification**

The opportunity to be present during a facility audit was excellent. Equally valuable was the opportunity to review the audit report and follow-up letters between the auditor and the John Roberts Company. Although those documents have been returned to the John Roberts Company and are thus not available to MPCA staff on an on-going basis, they have been valuable as a learning experience.

The audit was thorough, and the follow-up process between the auditor and the John Roberts Company appears to be very good. A few observations follow:

- The audit highlights the great value in having a process, like an EMS, in place in a facility to deal with a wide range of environmental issues. A facility is far more likely to remain in compliance or to return to compliance quickly if employees and managers know in advance how to deal with particular situations or what to do when the unexpected happens.
- The audit documents illustrate some of the ways that things within a plant can go wrong, despite the best of intentions in a facility with an aggressive EMS process. Employees don't always remember or follow the right procedures for reporting issues to managers. People can misinterpret certain requirements. Unexpected things happen.
- It takes time to correct discrepancies, even at a facility with very few discrepancies identified. Some are clearly higher priority and get immediate attention. Others are addressed over a short follow-up period. The audit document and follow-up letters provided some good examples.
- The give and take between a company and the auditor seems very important. The audit report plus the follow-up letters point out the value of having a third party work with the company to ensure that both parties have a clear understanding of what needs to be accomplished to resolve discrepancies. An on-going relationship with a third party auditor would have considerable advantages in assisting the company between audits or before or after an inspection.
- The auditor provided the company with a checklist of items to pay attention to. This type of tool could be used to great advantage by a company during periods between audits. To the extent that similar checklists are available or could be created by regulatory agencies, much could be gained by companies who are inspected by the regulatory agencies.
- The purpose and role of an audit can be viewed differently by different regulatory agencies. Regulatory agencies need to begin discussions with each other to deal with our differing perceptions.

Many variables could come into play that could either increase or decrease the value of an audit, but when done conscientiously by a knowledgeable auditor, the value of a third party audit appears to be high.

The John Roberts Company had a high rating from the auditor. The highly organized records at the company, the EMS being used by the company and the company's continuing positive attitude about proper environmental management all probably contributed to the positive result. A systematic approach seems very important. Perhaps environmental agencies could gain a lot of leverage from their limited resources by

promoting the use of EMS processes by companies. If adopted in some form, the likelihood of a company remaining in compliance or returning more quickly to compliance without the need for regulatory agency intervention would seem much higher. Clearly company size would be a big factor in a company's ability to take this kind of step, so this would more likely occur in medium to large sized companies. If an EMS were implemented in conjunction with periodic audits (or occasional inspections by regulatory agencies), a third party audit would have even more lasting value.

The MPCA staff has not discussed whether a third party audit could actually replace a normal inspection by MPCA or other regulatory staff, or whether an audit could reduce the frequency of inspections. The experience of observing an audit plus reading the audit report and letters gives us a better starting point for discussing these issues.

## **Focus Groups**

One MPCA staff person participated in ELP focus group conference calls, even though it was not possible to attend all of the calls. Ed Meyer was on the incentives focus group. It would have been very good to attend the June Framework meeting. One concern from a state perspective is the level of effort that would be needed by states to conduct or administer an ELP program. If the requirements for ELP participation by a company or for ELP certification by a state are too great in comparison to the advantage to the company or the state, low participation could be expected. We are interested in helping to avoid this possible result in whatever way we can.

## **Summary Comments**

The concept of an ELP is a good one. The mentoring and third party audit lessons are very valuable. The EMS processes hold a lot of promise for a wide range of companies. The MPCA participation has been worthwhile from our viewpoint, and we would appreciate the opportunity to continue our participation as the ELP proceeds to full scale implementation.

## **JRC Closing Comments:**

The John Roberts Company appreciates having had the opportunity over the last year to partner with both the U.S. Environmental Protection Agency and the Minnesota Pollution Control Agency. The exchange of knowledge and experience between team members, and subsequently sharing with all stakeholders, will no doubt assist in the betterment of environmental stewardship in the community.

**Attachments:**

- Bromley Printing Mentoring Evaluation Questionnaire
- Hoppe Printing Mentoring Evaluation Questionnaire
- Reindl PrintingMentoring Evaluation Questionnaire